

**MEMORANDUM
COUNTY OF PLACER
ADMINISTRATIVE SERVICES DEPARTMENT
PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors
FROM: Brett Wood, Purchasing Manager *BW*
DATE: January 7, 2014
SUBJECT: Magnesium Hydroxide – Hill Brothers Chemical Co. Inc.

ACTION REQUESTED

1. Approve the annual renewal of a competitively awarded blanket purchase order with Hill Brothers Chemical Company of Orange, CA for magnesium hydroxide for Facility Services in the maximum amount of \$175,000, funded by various sewer maintenance districts & county services areas with no net County cost, for the period of January 1, 2014 to December 31, 2014, and authorize the Purchasing Manager to sign the resulting blanket purchase order.

BACKGROUND

Facility Services requires an annual contract for the purchase of magnesium hydroxide for use in the County's wastewater treatment plants. On January 8, 2013, your Board approved a one-year renewal of competitive Bid No. 9726 with Hill Brothers Chemical Company. The executed blanket purchase order (BPO) expired on December 31, 2013.

Hill Brothers has requested a price increase of approximately 6.02% over the previous year's price per gallon. This vendor is the exclusive California distributor of the Thioguard brand of magnesium hydroxide used by the department's Environmental Utilities Division to maintain a stable PH for wastewater treatment. Procurement and Facility Services staff investigated other sources of supply and found no other viable sources. The department has recommended accepting the vendor's price increase. Section 22 of the BPO's General Terms and Conditions allows the County to renew the BPO on a year-to-year basis upon satisfactory negotiation of the renewal pricing, terms, and conditions.

Your Board's approval is required to proceed with a new one-year BPO in the maximum amount of \$175,000 and to authorize the Purchasing Manager to sign the resulting BPO.

FISCAL IMPACT

Upon your Board's approval, a new BPO will be awarded to Hill Brothers Chemical Company in the maximum amount of \$175,000 for the period effective January 1, 2014 through December 31, 2014. The Department has budgeted appropriately for this expense in the Sewer Maintenance Districts 1, 2, 3, and CSA 28 Zone 6 Sheridan Sewer for FY13/14. The Sewer Maintenance Districts and Sewer CSA's are funded by User Fees with no net county cost.

cc: Valerie Bayne, Administrative Services Manager, Facility Services
Bill Zimmerman, Environmental Engineering Program Manager

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